



Republican Policy Committee

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Work Opportunity Act Makes Comprehensive Welfare Reforms

The Work Opportunity Act of 1995 (S. 1120) makes comprehensive changes in federal welfare, job training and education programs, affecting a total of 105 programs that cost taxpayers a total of more than \$174 billion annually.

In all, S. 1120 subjects 96 federal welfare programs to greater state control through block grants. The total annual cost to taxpayers of these 96 programs in FY 1995 was over \$55 billion.

95 federal programs are folded into three new block grants:

- A block grant containing 7 programs currently included in Aid to Families With Dependent Children (AFDC). [Annual cost: \$17.5 billion]
- A block grant containing 3 federal child care programs. [Annual cost: \$949 million]
- A block grant containing 85 federal job training and education programs. [Annual cost: \$8.1 billion]

In addition, each state may, if it chooses to do so, receive federal food stamp money as a block grant. [Annual cost: \$28.8 billion]

The Work Opportunity Act also reforms 8 major federal welfare programs including:

- Supplemental Security Income (SSI). [Annual cost: \$21.2 billion]
- Six food and nutrition programs. [Annual cost: \$7.3 billion]
 - School lunch. [Annual cost: \$4.5 billion]
 - School breakfast. [Annual cost: \$1.1 billion]
 - Summer food program. [Annual cost: \$256 million]
 - Child and adult care food program. [Annual cost: \$1.5 billion]
 - Special milk program. [Annual cost: \$18.1 million]
 - Nutrition education and training. [Annual cost: \$10.3 million]

- **Child Support Enforcement program (CSE).** [Annual cost: \$1.2 billion]

Furthermore, S. 1120's changes in welfare eligibility criteria for certain categories of recipients, particularly immigrants, will have the secondary effect of achieving savings in federal Medicaid spending. [Annual cost: \$89.2 billion]

S. 1120 also makes two reforms that will affect numerous federal housing programs. These reforms would:

- **Implement Ceiling Rents:** Currently, a public housing resident's rent is based on 30% of adjusted family income (including AFDC). S. 1120 permits Public Housing Authorities (PHAs) to implement ceiling rents and consider additional income disregards for the working poor.
- **Coordinate Sanctions Between AFDC and Housing Assistance:** Currently, when individuals receive reductions in their AFDC benefits due to sanctions, their housing subsidy increases. S. 1120 prohibits housing assistance to be increased to offset reductions in other benefits resulting from sanctions (including those imposed for non-participation in work).

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Programs Block Granted (96)

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AFDC [7 programs; Annual Cost: \$17.5 billion]

- 1) AFDC Cash Assistance;
- 2) AFDC Administration;
- 3) Emergency Assistance;
- 4) JOBS Program;
- 5) IV-A Child Care;
- 6) Transitional Child Care; and
- 7) At-Risk Child Care.

Child Care [3 programs; Annual Cost: \$949 million]

- 1) Child Care and Development Block Grant;
- 2) State Dependent Care Planning and Development Grants; and
- 3) Child Development Associate Credential Scholarships.

Job Training [85 programs; Annual Cost: \$8.1 billion]

- 1) JTPA EDWAA-Dislocated Workers (Substate Allotment)
- 2) JTPA EDWAA-Dislocated Workers (Governor's Discretionary)
- 3) JTPA EDWAA-Dislocated Workers (Secretary's Discretionary)
- 4) JTPA Defense Conversion Adjustment Program
- 5) JTPA Defense Diversification
- 6) JTPA Clean Air Employment Transition Assistance
- 7) JTPA Migrant and Seasonal Farmworkers
- 8) JTPA Employment and Training Research and Development Projects
- 9) JTPA Employment Services and Job-Training-Pilot and Demonstration Projects
- 10) JTPA Native American Employment and Training Programs
- 11) JTPA Job Corps
- 12) JTPA National Occupational Information Coordinating Committee
- 13) JTPA Capacity Building and Information and Dissemination Network
- 14) JTPA Microenterprise Grants Program
- 15) JTPA Disaster Relief Employment Assistance
- 16) JTPA Jobs for Deployable Dependent Individuals Incentive Bonus Program
- 17) JTPA Cooperative Labor Market Information Program
- 18) JTPA National Commission for Employment Policy
- 19) JTPA Nontraditional Employment Demonstration Program
- 20) JTPA II-A Training Services for the Disadvantaged-Adult
- 21) JTPA II-A State Education and Coordination
- 22) JTPA II-A Incentive Grants
- 23) JTPA II-A Training Programs for Older Individuals
- 24) JPTA II-C Disadvantaged Youth
- 25) JPTA II-C Disadvantaged Youth-Incentive Grants
- 26) JPTA II-C Disadvantaged Youth-State Education Programs
- 27) JPTA II-B Training Services for the Disadvantaged-Summer Youth Employment and Training Program

- 28) JTPA II-B Summer Youth and Training Program (Native American)
- 29) Federal Bonding Program
- 30) Interstate Job Bank
- 31) Youth Fair Chance
- 32) Veterans Employment Program
- 33) Adult Education-State Administered Basic Grant Program
- 34) Trade Adjustment Assistance-Workers
- 35) NAFTA-Transitional Adjustment Assistance
- 36) Employment Service-Wagner Peyser State Grants
- 37) Employment Service-Wagner Peyser Governor's Discretionary Funds
- 38) Adult Education for the Homeless
- 39) Senior Community Service Employment Program
- 40) Displaced Homemakers Self-Sufficiency Assistance-Project Grants
- 41) Displaced Homemakers Self-Sufficiency Assistance-Training and Technical Assistance
- 42) Airline Employee Protection Program

Carl D. Perkins Vocational and Applied Technology Programs:

- 43) Vocational Education-Demonstration Projects for the Integration of Vocational and Academic Learning
- 44) Vocational Education-Educational Programs for Federal Correctional Institutions
- 45) Vocational Education-Comprehensive Career Guidance and Counseling
- 46) Vocational Education-Blue Ribbon Vocational Educational Programs
- 47) Vocational Education-Model Programs for Regional Training for Skilled Trades
- 48) Vocational Education-Business/Education/Labor Partnerships
- 49) Vocational Education-Tribally Controlled Postsecondary Vocational Institutions
- 50) Vocational Education-Basic State Programs
- 51) Vocational Education-State Programs and Activities
- 52) Vocational Education-Single Parents, Displaced Homemakers, and Single Pregnant Women
- 53) Vocational Education for Sex Equity
- 54) Vocational Education-Programs for Criminal Offenders
- 55) Vocational Education-Cooperative Demonstration
- 56) Vocational Education-Indian and Hawaiian Natives
- 57) Vocational Education-Community Based Organizations
- 58) Vocational Education-Bilingual Vocational Training
- 59) Vocational Education-Demonstration Programs for the Training of Dislocated Workers
- 60) State Councils on Vocational Education
- 61) Vocational Education Research Program and the National Center for Research on Vocational Education
- 62) Materials Development in Telecommunications Program
- 63) Vocational Education and Study Grants Program
- 64) Vocational Education Leadership Development Awards Program
- 65) Vocational Education Training Fellowship Program
- 66) Internships for Gifted and Talented Vocational Education Students Program

- 67) Business and Education Standards Program
- 68) Vocational Education Dropout Prevention
- 69) Vocational Education and Occupational Information Data Systems
- 70) Supplementary State Grants Program for Facilities and Equipment and Other Program Improvement Activities
- 71) Community Education Employment Centers
- 72) Vocational Education Lighthouse Schools
- 73) Bilingual Vocational Instructor Training Program
- 74) Bilingual Materials, Methods, and Technique Program

Stewart B. McKinney Homeless Assistance Programs:

- 75) Job Training for the Homeless
- 76) Homeless Veterans Reintegration Project
- 77) Appalachian Vocational and other Education Facilities and Operations
- 78) State Legalization Impact Assistance Grants
- 79) Education for Homeless Youth and Children

School-to-Work Opportunities Programs:

- 80) State Planning Grants
- 81) State Implementation Grants
- 82) Local Partnership Grants
- 83) High Poverty and Urban Area Grants
- 84) Native American Grants
- 85) National Activities

Food Stamps (at state option) [Annual Cost: \$28.8 billion]

Programs Reformed or Affected (9)

Food and Nutrition [Annual Cost: \$7.3 billion]

- 1) School Lunch;
- 2) School Breakfast;
- 3) Summer Food Program;
- 4) Child and Adult Care Food Program;
- 5) Special Milk Program; and
- 6) Nutrition Education and Training.

Supplemental Security Income (SSI) [Annual Cost: \$21.2 billion]

Child Support Enforcement [Annual Cost: \$1.15 billion]

Medicaid [Annual Cost: \$89.2 billion]